Agenda Date: October 26, 2005
Item Number: A8

Docket: UT-051498

Company Name: Qwest Corporation

Staff: Tani Thurston, Regulatory Analyst
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Bob Williamson, Senior Engineer

Recommendation

Issue a complaint and order suspending the tariff filing in Docket UT-051498.

Background

On September 30, 2005, Qwest Corporation (Qwest and/or Company) filed a tariff revision to modify its Customer Service Guarantee Program (CSGP). This tariff revision modifies certain service guarantee provisions and eliminates other service guarantee provisions. Qwest believes these changes will make its service guarantee program more consistent with similar plans offered by similar telecommunication providers.

Specifically, Qwest proposes the following modifications to its existing CSGP:

1. **Guaranteed Appointments and Commitments:**

Qwest proposes to reduce its credit for failing to keep an agreed upon appointment or commitment date for service installations or repairs for business and residence customers. The current credit is $50 for both residential and business customers. Qwest proposes to reduce the residential credit to $25 and maintain the $50 credit for business customers. The company will continue to apply these credits automatically to the customers' accounts. Finally, in this docket Qwest has not eliminated its $50 credit for failing to keep an agreed upon appointment or commitment date pertaining to competitively classified services to its business customers.

2. **Delayed Primary Basic Exchange Alternative:**

Qwest proposes to eliminate the tariff provision that provides service and/or credits to residence customers if the company was unable to provide primary basic exchange service (first residence or first two business lines) within five business days of the service due date. These credits are approximately $100.50 for residence and $131.89 for business customers. These credits include the first month's basic local service charge, the installation charge, and the associated monthly recurring and non-recurring remote call forwarding charges. In addition, customers have the choice of one of the following:

a. a cellular loaner,
b. a $100 bill credit,
c. voice messaging service, or,
d. paging service.

In lieu of these credits, Qwest proposes to provide all of the following customer remedies for primary basic exchange service delayed five or more business days:

- credit the non-recurring charge,
- assign a telephone number,
- provide a directory listing,
- provide remote call forwarding, and,
- provide voice messaging service.

3. **Out-of-Service Trouble Condition Credit:**
Qwest proposes to eliminate the $5.00 credit to its customers who have lost service (no dial tone) for more than two working days due to repair problems. In addition, the company proposes to eliminate credits that include the basic monthly local exchange rate and associated regulated feature charges to customers who continue to be out of service for more than seven calendar days. Qwest proposes to modify its tariff to be consistent with WAC 480-120-440, Repair standards for service, and WAC 480-120-164, Pro rata credits. These rules state the companies must provide detailed information regarding times to repair out-of-service interruptions and the method for providing credits for these outages.

4. **No Dial Tone Credit:**
Qwest proposes to eliminate its existing tariff requiring it to credit all customers if the Company is unable to provide dial tone within three seconds on at least ninety percent of the calls placed within any specific wire center. The credit includes the monthly basic exchange rate including all associated regulated feature charges. Qwest stated that since 2001, it has not paid any of these credits.

5. **Trouble Report Rate Credit:**
Qwest proposes to eliminate its existing tariff requiring a $.25 per line credit to all customers in an affected exchange if the trouble report rate is greater than four reports per one hundred access lines, within two consecutive months or four months out of any twelve month period in an exchange. The company stated that since 2001 it has not paid any customer credits under this service category.

Finally, the company states it will include in its tariff a provision to provide a $20 long distance calling card if its technicians arrive more than one-half hour late for scheduled repairs and installations.

Discussion
The CSGP was originally established as part of the Commission's order with U S WEST Communications, Inc. (U S WEST) in Docket UT-950200. This order required specific services and credits to compel the company to improve its services to its customers and to mitigate the harmful effects of poor service on customers. In Docket UT-970766 the Commission imposed additional service credits in response to the company's continued service problems.

In addition to the customer-specific measures in the CSGP, Qwest has been subject since 2000 to a broader service quality performance plan that was implemented as part of the settlement in Docket UT-991358, in which the Commission approved the merger between U S WEST and Qwest. This performance plan expires on December 31, 2005.

Commission Staff reviews a number of telecommunication company reports monthly, in order to determine compliance with the administrative code and to determine what service issues may need to be addressed. In reviewing Qwest's service quality reports, including the reports submitted as required in Docket UT-991358, Staff notes that over the past five years, the company's reports indicate continuous improvement and the company's compliance with Commission rules and with the additional baseline performance levels required by the Commission.

Furthermore, the number of Qwest customer complaints filed with the Commission has decreased by 86%, from 3,748 complaints in the year 1998 to 533 projected complaints in 2005. The number of customer complaints includes a significant decrease in complaints regarding customer service, network congestion and delayed service installations. Staff recognizes the company's diligence in improving its service to its customers and believes it is prudent to allow the company to eliminate most of the requirements imposed in past years.

However, Staff has noted persuasive arguments in internal and national for promoting customer credits independent of any penalties or corrective measures imposed in past years. In this case, Staff believes that the $25 credit the company proposes does not sufficiently acknowledge the customers' inconvenience for failure to provide service as promised. Staff refers to Docket UT-970766 in which the Commission previously imposed the $50 customer credit for missed appointments and commitments. In requiring this credit, Staff proposed credit amounts based on the Commission's order regarding Puget Sound Energy (PSE) in Docket UE-960195, where the Commission required a $50 customer credit for missed appointments and commitments.

In requiring U S West to provide the credit, the Commission stated that "the payment is not intended to be precisely compensatory but rather a recognition of customers' lost time and inconvenience" (emphasis added). The basis for the credit was not the overall number of customers receiving poor service but rather the effect of poor service on each customer individually. Therefore Staff believes that Qwest's improvement in overall service levels does not eliminate the need for credits for those customers who still end up waiting for a Company technician to arrive. Staff intends to promote this issue with a broader range of regulated companies to assure a serious and responsible approach to appointments and commitments.

Qwest argues that it is simply requesting parity with other telecommunication companies' existing tariffs. Qwest further asserts that other telecommunication companies either provide similar missed appointment and/or commitment credits (Verizon offers $25 for residential customers and $100 for businesses) or do not offer them at all. Qwest further points out that other phone companies do not automatically apply their credits to their customers' accounts unless the customers themselves notify the companies of missed appointments or commitments. Staff believes that the notification burden should not be placed on the customer. PSE's tariff does not require its customers to notify the company of the missed appointment or commitment to obtain the credits, and Verizon Northwest's tariff promises credits if the customer reports the missed commitment or if the company discovers the missed commitment.

In conclusion, Staff believes the Commission's reasoning in Docket UT-970766 remains valid and that Qwest should continue to provide a $50 credit for missed appointments and commitments.

Recommendation
Issue a complaint and order suspending the tariff filing in Docket UT-051498.

Attachments: **Appendices 1 & 2**